Sanctioning of Loans by Nationalised Banks

3780. PROF. VIJAYA KUMAR MALHOTRA : Will the Minister of FINANCE be pleased to state :

(a) whether Government have advised the nationalised banks not to advance/ loans, where its recovery is doubtful ;

(b) if so, the details thereof and the effect thereof on the weaker sections of society ;

(c) whether the staff of the banks harass people and use underhand tactics in sanctioning of loans ; and

(d) if so, how many such cases have come to Government's notice and the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) Banks grant advances for viable ventures after assessing their need-based credit requirements. However, banks exercise their own judgement in granting loans/advances taking into account, *inter alia*, their realisability. Banks also frame schemes on their own to assist weaker sections of the society by way of providing loans for productive ventures. Performance of public sector banks in extending credit assistance to weaker sections is reviewed by the Government as well as by the Reserve Bank of India (RBI) periodically and suitable steps are taken to correct deficiencies noticed, if any.

(c) and (d) Loan applications are received by bank branches directly from applicants or through State sponsored agencies and are sanctioned accordingly. Action against officials is taken by banks in accordance with the laid down rules and procedures for wilful neglect, non-observance of instructions or malpractice etc. The reporting system of banks does not generate information on the number of cases/employees against whom action has been taken or contemplated for various categories of charges.

Reduction of Rate of Interest on World Bank Loan

3781. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FINANCE be pleased to state :

(a) whether the Maharashtra Government has urged the Union Government to reduce the rate of interest levied on the loan component of the World Bank credit for rehabilitation of earthquake affected people ;

(b) if so, present rate of interest levied on the loan and the demand of the State Government ; and

(c) the reaction of the Union Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (c) The Government of Maharashtra had requested for passing on the World Bank credit to the State Government on the same terms and conditions as it is received by the Government of India. State Governments have been advised that this may not be advantageous to them as such a system would necessitate the State Government bearing the exchange risk for repayments over the amortisation period. The proceeds of the credit would be passed on to the Government of Maharashtra in accordance with the standard arrangements for developmental assistance to the States. At present, a rate of interest of 12% is levied by Government of India on the loan component of the credit.

उत्पाद-शुल्क और सीमा-शुल्क में रियायतें

3782. **प्रो० विजय कुमार मल्होत्रा** : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि चालू बजट में उत्पाद-शुल्क और सीमा-शुल्क में बहुत-सी रियायतें दी गई हैं ;

(ख) यदि हां, तो क्या इन सभी रियायतों का लाभ उपभोक्ता तक पहुँचा है ; और

(ग) यदि नहीं, तो इन रियायतों का लाभ उपभोक्ता तक पहुँचना सुनिश्चित करने के लिए सरकार द्वारा क्या कदम उठाए गए हैं ?